

Minutes of the Finance Committee

Wednesday, September 21, 2016

Chair Heinrich called the meeting to order at 8:15 a.m.

Present: Supervisors Jim Heinrich (Chair), Tim Dondlinger, Tom Michalski, Richard Morris, Duane Paulson, Ted Wysocki, and Bill Zaborowski.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Administration Director Norm Cummings, IT Infrastructure Administrator Al Mundt, Fleet Manager Bob Rauchle, Business Manager Betsy Forrest, Airport Manager Kurt Stanich, Departmental Secretary Tony Di Frances, Public Works Director Allison Bussler, Facilities Manager Shane Waeghe, Judge Jennifer Dorow, Emergency Preparedness Director Gary Bell, Engineering Services Manager Gary Evans, Accounting Services Manager Larry Dahl, Human Resources Manager Jim Richter, and Budget Management Specialist Bill Duckwitz. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of September 7

MOTION: Zaborowski moved, second by Morris to approve the minutes of September 7. Motion carried 7-0.

Next Meeting Date

- October 5

Chair's Executive Committee Report of September 12 & 19

Heinrich said the Executive Committee, at their last two meetings, discussed and approved capital projects.

Announcements

Paulson indicated the City of Waukesha last night voted 11-2 to retain the City's dispatch center and not join the County's countywide dispatch center.

Contract Procurement Process for a Technology Security Audit on Waukesha County's Networks and Systems

Mundt advised this five-year contract was awarded to Securance, the highest rated proposer, for a total contract cost of \$144,535. The first year cost is \$27,883 and the first year budgeted amount is \$35,000. A total of 19 contractors submitted proposals for consideration.

MOTION: Paulson moved, second by Morris to approve the contract procurement process for a technology security audit on Waukesha County's networks and systems. Motion carried 7-0.

Ordinance 171-O-039: Modify The 2016 Vehicle And Equipment Replacement Budget

Forrest and Rauchle discussed this ordinance as outlined which modifies the 2016 Vehicle and Equipment Replacement Budget by increasing fixed assets by \$27,000 to cover costs related to 2015 patrol truck purchases. Components of the patrol trucks are built in multiple stages by

multiple vendors. Purchase orders are normally updated as the truck specifications are determined. When the patrol trucks are not completed by year-end, the balance of the purchase order (and related budget authority) is automatically carried over into the next fiscal year (as allowed under County Code Section 7-93). However, in 2015, patrol truck development occurred later than normal and the purchase order that was carried over into 2016 did not yet reflect final cost estimates. As a result, insufficient budget authority was carried over into 2016. Cummings said the circumstances surrounding this ordinance are very rare and while it could happen again, it is unlikely. This ordinance results in no additional direct tax levy impact.

MOTION: Dondlinger moved, second by Wysocki to approve Ordinance 171-O-039. Motion carried 7-0.

Ordinance 171-O-040: Approve New Fixed Base Operator Agreement With Waukesha Flying Services, Inc., d/b/a Atlantic Aviation

Stanich and Bussler explained this ordinance which authorizes a new negotiated 22-year contract with the existing fixed base operator (FBO). The contract includes annual fixed revenues of about \$278,000 for leased space that will be adjusted by contract annually for CPI. (One existing lease, containing the aircraft maintenance building, will transfer to another tenant by November 2016 with no net fiscal impact to the County). The contract also includes annual projected variable revenues of \$243,000 for fuel flowage fees, T-Hanger revenue and tie-down fees. Total annual contract revenues are estimated at \$521,000, an increase of \$134,000 over the current contract (\$49,500 for terminal ramp space; \$28,000 for land lease for new hangar building; \$9,000 for land lease for existing hangar; \$17,500 for T-hangar rentals, some of which is likely to be spent on additional maintenance; and \$30,000 for increased fuel flowage fees when the hangar is constructed). Stanich explained the increases.

The 22-year contract will also bring FBO investment in the airport terminal building of approximately \$1,000,000 (not to be less than \$750,000 without County consent) to renovate portions of the terminal building to provide a higher-quality appearance within one year. The FBO also plans to expand their current corporate hangar and construct a new one, estimated to be 30,000 square feet (not to be less than 20,000 square feet) within three years. The new hangar will allow for additional based aircraft at the airport that are projected to consume approximately 300,000 gallons of fuel annually when fully operational. The County receives \$0.10/gallon sold at the airport (unchanged). Annual contract increases along with the potential for fuel sales growth will allow for the potential to eliminate airport tax levy by 2021.

Heinrich said it was fully supported by the Executive and Public Works committees and Wysocki complimented Stanich on his efforts.

MOTION: Morris moved, second by Dondlinger to approve Ordinance 171-O-040. Motion carried 7-0.

Discuss Capital Project 201206 (#9): Courthouse Project – Secure Courthouse Construction
Total Project Cost (2017-2020): \$36,400,000; \$0 revenues

Bussler, Waeghe, Cummings, and Dorow explained this capital project as outlined in the 2017-2021 Capital Projects Plan. The existing courthouse was constructed in 1959 and remains structurally sound. Throughout the life of the Courthouse extensive remodeling has taken place to add additional courtrooms and reconfigure interior space to meet the expanding needs of the services located in the Courthouse. Operational and business inefficiencies, particularly for the courts systems, have been created due to both space and building limitations. In addition, existing courtrooms do not meet current design standards. Also, the Courthouse building infrastructure is approaching the end of its useful life. The County retained Zimmerman Architectural Studios to develop a "Courthouse Study," (capital project #200914) to provide a comprehensive analysis of Courthouse space requirements and design needs. This study has been completed and Zimmerman recommended a two-step design approach (below). This project is intended to address step 1. A separate future capital project will need to address step 2. While approving this project in the plan does not obligate future County Boards for step 2 (see below), it does reflect the County's future guidance for the overall courthouse project. This project and Step 2, listed below, were discussed in length. No major concerns were voiced.

Discuss Capital Project 201705 (#10): Courthouse Project Step 2 – Courthouse Renovation

At this time, there are a number of factors that may impact the design and construction costs of future courthouse modernization projects. These factors make it difficult to provide detailed cost estimates. In 2013, Zimmerman Architectural Studios estimated the full courthouse remodel to cost approximately \$95 million (in 2019 dollars), including \$36.4 million for step 1 (see above) and \$58.6 million for step 2. However, many factors could impact that estimate including, but not limited to, incorporating additional operations to the courthouse space, future economic conditions and the maturing of the design process for the remaining three stages of work that are part of Step 2. Additional design work will be performed to finalize the staging of the remaining work during the design phase of the Secure Courtroom Construction project (Step 1). Based on the needs identified by the County and analyzed by the consultant, the consultant has recommended the construction of a new four-story Courts building adjacent and contiguous to the existing Courthouse and the relocation of eight existing courtrooms to this building. This will address courtroom security, prisoner transport, and customer circulations needs. Due to the design of this new building, it will not be necessary to temporarily relocate any courtrooms or staff during construction. Multiple questions were asked by supervisors and answered by staff. No major concerns were voiced.

Discuss Capital Project 200808 (#4): Communications Center Expansion

Total Project Cost (2015-2017): \$3,731,000 including \$708,400 in revenues

Bussler and Bell explained this project as outlined. This project will add approximately 7,500 square feet of space for the Waukesha Communications Center (WCC) to accommodate additional dispatch agencies and space for the Emergency Operations Center (EOC) to better handle countywide emergencies. The project will also include storage, a garage, and administrative space to free up existing space in the current facility to accommodate future county wide dispatch for all jurisdictions and have the needed space to better manage significant incidents. The existing facility was completed in 2004 and started operations that same year. The current dispatch floor has workstations for fourteen 9-1-1 positions, one 9-1-1 supervisor position and two supervisor workstations. While the facility is capable of handling increases in activity and a small number of new partners in the existing structure, at some point the facility will need to expand to accommodate

substantial growth due to more agencies joining. Multiple questions were asked by supervisors and answered by staff. No major concerns were voiced.

Discuss Capital Project 201008 (#21): CTH M, Calhoun Rd. to East County Line

Total project cost (2015-2021): \$25,806,000 including \$16,555,000 in revenues

Evans and Bussler explained this project which involves the reconstruction and widening of about 3.0 miles of CTH M (North Avenue) from Calhoun Road to 124th Street to four lanes and the replacement of a bridge over Underwood Creek. The use of a median or a two-way left turn lane to provide for left turn movements will be evaluated during the design phase of this project. Land will be acquired to a distance of 60 feet from the roadway centerline and additional grading easements and vision corners as may be required. Due to some anticipated high construction costs at or near Pilgrim Road, this project has been combined with project 201202 (CTH M, Calhoun Road to CTH YY). To keep approved federal funding, the Wisconsin Department of Transportation needed to move all construction funding to 2020-21. Total project costs remain approximately the same. Land acquisition costs are reduced about \$1.3 million because less land will need to be acquired than originally anticipated. Cost savings are offset by cost increases for anticipated inflation associated with moving construction work to 2020-21 and additional design cost for traffic studies and WisDOT review fees. However, total net County costs (after applying revenues) decrease by about \$780,000 due to an increase in estimated federal funding (\$625,000), which was approved in two state municipal agreements, and capped at \$16,110,000. In addition, approximately \$445,000 of revenue from the City of Brookfield and Elm Grove is anticipated as the local share for sidewalks and other amenities, an increase of \$155,000. CTH M or North Avenue has been identified as a priority corridor for widening to four lanes by the Department of Public Works and is shown as a four-lane roadway in the 2035 SEWRPC Jurisdictional Highway Plans for Waukesha County. Traffic volumes indicate that the existing two-lane roadway is beyond its operating capacity, and is in need of widening. Multiple questions were asked by supervisors and answered by staff. No major concerns were voiced.

Discuss Capital Project 200911 (#35): Repaving Program 2013-2017

Total project cost: \$12,010,000 including revenues of \$1,860,000

Evans, Bussler, and Cummings explained this project which involves resurfacing or rehabilitation of county trunk highways to remove distressed areas and provide improved riding surfaces in accordance with the department's goal to pave approximately 20 lane miles of roadway on an annual basis. Crush, relay and surface or other alternative methods will be used as necessary in lieu of a simple patch and overlay. Beginning in 2017 about \$50,000 budgeted annually for pavement work at the UW-Waukesha (UWW) Campus will be transferred from this project to the UWW infrastructure improvement project (#201703). Inflation and a reduced number of highway capital projects have caused a gradual reduction in the number of lane miles paved and hence we have seen our average pavement condition rating decline. An additional \$300,000 is added in 2017 to reflect additional funding needed to maintain pavement condition at its current level. The typical useful life of pavement is 15 years. The Department reconstructed existing two-lane roadways to four-lane facilities and these four-lane facilities are now coming to the end of their design life and need repaving. The Department has initiated a pavement management program using Cartegraph's

Pavementview software to rate pavement conditions and manage pavement projects. Multiple questions were asked by supervisors and answered by staff. No major concerns were voiced.

Discuss Capital Project 201416 (#36): Repaving Program 2018-2022

Total project cost: \$21,150,000; \$0 revenues

See Capital Project 200911, above.

Discuss Capital Project 201617 (#51): Payroll/Human Resources Information System

Total projects cost: \$1,427,000 including \$1,352,000 in revenues

Richter and Dahl were present to explain this project which addresses the procurement and replacement of the human resource and payroll system. Based on a 2016 study in the first year of this project, it has been determined that the current system is near the end of its life cycle. The current vendor is no longer providing enhancements which does not provide the opportunity to create efficiencies and effective workflows and processes. The second year of the project funds the services of a consultant to assist in the assessment and selection of the appropriate software vendor. Project funds in the second year are also budgeted to begin implementation after vendor selection. The current payroll system has been in use since 2004 and will need to be replaced at some point in the next few years. New system functionality will replace functionality that is now done through a variety of manual tasks. This project will also transition payroll and HR information systems from self-hosted applications to a cloud-based solution, freeing up internal IT resources and eliminating the server infrastructure environment supporting the current in-house systems. Multiple questions were asked by supervisors and answered by staff. No major concerns were voiced.

MOTION: Paulson moved, second by Wysocki to recommend approval of Capital Projects 201206, 201715, 200808, 201008, 200911, 201416, and 201617 to the Executive Committee. Motion carried 7-0.

Ordinance 171-O-042: Approve The 2017 Employee Retention/Severance Policy

Richter advised in the course of developing the proposed budget for any given year, positions may be abolished, or funding reduced (most are typically vacant) for various departments. This ordinance authorizes a benefit policy for County employees that may be laid off in 2017. It does not cover employees who terminate their employment voluntarily prior to their layoff or who accept employment in another County position or who decline such employment.

Under the proposed retention/severance program, regular full-time employees will be eligible for a severance payment as follows: less than 3 years – 3 weeks; three years but less than 10 years – 6 weeks; and 10 or more years – 9 weeks. Regular part-time employees will be eligible for half the benefit. In addition, regular full-time and part-time employees would be eligible for up to four months of the County contribution toward the health plan they are enrolled in at the time of termination. Terminated employees would also be eligible to participate in the Tuition Assistance Program for one year after being laid off.

About \$65,000 was spent for severance/retention in 2015, mostly associated with the Shelter Care transition. The County has budgeted \$40,000 in 2016, of which about \$29,000 has been expended

to date. The 2017 proposed budget includes \$40,000 for retention/severance. Future Non-Departmental budget proposals will include estimates for the impact of this policy based on anticipated staffing changes. Any costs related to the tuition assistance benefit will be absorbed in the Department of Administration Human Resources budget.

Michalski advised the Human Resources Committee next year at this time will consider making this ordinance permanent as opposed to it coming forward annually. Paulson was opposed and felt the ordinance is a good way to educate supervisors on the policy.

MOTION: Paulson moved, second by Wysocki to approve Ordinance 171-O-042. Motion carried 7-0.

Review Revenues Section of the Capital Projects Plan

Duckwitz and Cummings explained fund balances and revenues as outlined in the 2017-2021 Capital Projects Plan.

MOTION: Paulson moved, second by Dondlinger to adjourn at 11:19 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary